



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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North Carolina Couple Indicted for Tax Fraud and Bank Fraud Related to Their Online Business

A federal grand jury in the Middle District of North Carolina returned an indictment March 1 charging a Greensboro, North Carolina couple, who operated an online sales business with tax fraud as well as bank and wire fraud, announced Acting Assistant Attorney General Caroline D. Ciruolo of the Justice Department's Tax Division and U.S. Attorney Ripley Rand of the Middle District of North Carolina. The defendants were arrested earlier today and had their initial court appearances this afternoon.

Daniel Balson and Renee Balson were charged with one count of conspiracy to defraud the United States and to commit bank fraud, one count of bank fraud and five counts of wire fraud. Daniel Balson was additionally charged with three counts of filing false tax returns for 2009 through 2011 and Renee Balson was charged with one count of filing a false tax return for 2009.

According to the indictment, Daniel Balson owned and operated Southern Sales Online (SSO), an online retail business that sold a variety of merchandise through eBay and Amazon, including scrapbooking and art materials, books, inspirational DVDs, pet supplies and tools. It is alleged that although SSO earned more than \$1 million in gross receipts during 2005 through 2011, the Balsons failed to report gross receipts for SSO on their tax returns filed with the Internal Revenue Service (IRS). The Balsons also failed to report income from SSO on a bank application for a mortgage loan modification in 2011. The indictment also alleges that the Balsons stole merchandise from LifeWay Christian Stores and Hobby Lobby and then knowingly sold the stolen merchandise through SSO at prices less than retail value.

If convicted, Daniel Balson and Renee Balson each face a statutory maximum sentence of five years in prison for the conspiracy count, 30 years in prison for the bank fraud count, 20 years in prison for each wire fraud count and three years in prison for each false tax return count. The Balsons also face substantial monetary penalties and restitution.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceeding.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Rand commended special agents of IRS-Criminal Investigation, who investigated the case, and Assistant Chief Todd A. Ellinwood and Trial Attorney Mara Strier of the Tax Division, who are prosecuting the case. Acting

Assistant Attorney General Ciraolo also thanked the U.S. Attorney's Office of the Middle District of North Carolina for their assistance.

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